

The Health Insurance Dilemma Among Montana's K12 Schools
HB198 / 2009 -- Rep. Robin Hamilton, HD92
Before the House Education Committee -- January 21, 2009

HB198 will provide a \$1,000 in FY10 and \$1,030 in FY11 annual payment per eligible school employee from the state general fund to the local school district or public educational agency* to be used by the educational unit to help pay group health insurance premium costs of enrolled employees. See: New Section 1(6); page 2 lines 9-11.

HB198 defines a regularly employed school employee as anyone regularly employed at 30+ hours per week during the locally determined school year, or employed for fewer hours (with a minimum threshold of 18 hours per week) and presently allowed to participate in the local group health insurance plan as specified by the local collective bargaining agreement or by board policy, "eligible" to participate in the existing state health benefits program. See: New Section 1(6a) and (6b); page 2 lines 12-15.

MEA-MFT estimates that as many as ½ (4,000) of Montana's K12 "classified" workforce (paras and instructional assistants, secretaries, clerical, custodial and maintenance, bus drivers and food service employees) – do NOT presently "qualify" for local school health programs. (See K12 workforce health insurance studies conducted by Coopers-Lybrand in 1996, or by the eBenX actuarial firm in 2002 and again in 2004-05.) HB198's state health insurance payment of \$1,000 per year is anticipated to open-up health plan eligibility and allow participation to a good share of these currently uninsured school employees.

The \$1,000 per employee FY10 health insurance state statutory payment proposed by HB198 is expected to be paid in respect to approximately 19,000 school employees, resulting in a state statutory general fund cost of \$19m in FY10. \$19m is less than 17% of the estimated \$113 million dollars that K12 school districts alone will spend from all funds on health care premiums in FY09.

* Local elementary, high school and K12 school district general funds, as well as special education coops, the Montana School for the Deaf & Blind school in Great Falls, state youth correctional facilities such as the Pine Hills facility in Miles City and the Montana Youth Challenge Program in Dillon will qualify for HB198 health insurance payments. See New Section 1(1a).